
OverNet Computer Services

Mechanic helpdesk query

How To Process Drawings.

This process shows how Mechanic can process drawings - where an amount is deducted from the bank account and used to pay the business owner.

NOTE: The use of drawings does not cater for superannuation or any form of tax. Refer to you accountant for assistance on superannuation contributions.

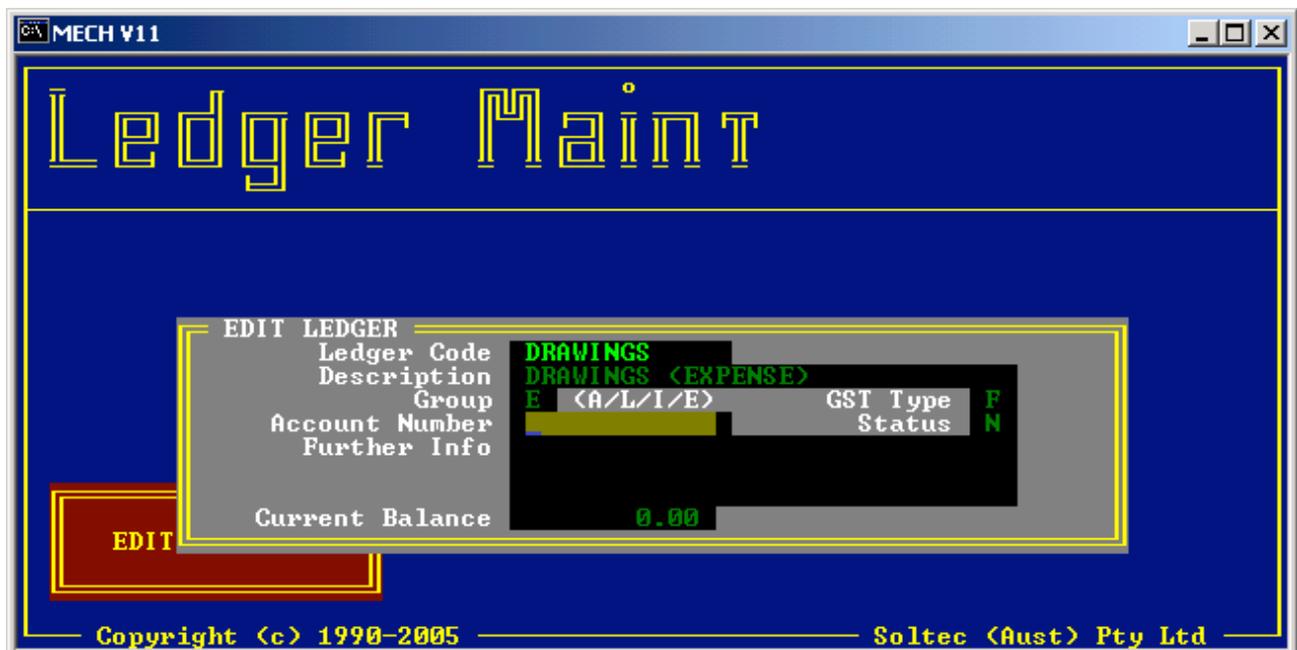
SUMMARY: Use a direct purchase to “withdraw” the funds from the bank.

OTHER USES FOR DRAWINGS:

Use the drawings ledger when the businesses credit card it used to purchase personal items. Instead of moving cash around, simply use a direct purchase to reduce the drawings balance.

STEP 1: CREATE A DRAWINGS LEDGER.

Use the 5,3,1 program to create a DRAWINGS ledger. Note that it is an expense account that is “F”ree of GST.



STEP 2: ENTERING TRANSACTIONS

Use the 2,5,1 program to enter the following direct purchase. This transaction is used to show a withdrawal to pay the business owner.

MECHANIC TRAINING EMPTY

DRAWINGS EXPENSE

DRAWINGS		Opening Balance	0.00
		Current Balance	700.00

Date	Docket	Ref#	Comment	+DR	-CR	Amount
25 Oct 05	DP-2	Direct	#001234			700.00

Cheque Payment to Supplier Account

25 Oct 2005	Remittance No	DP-2
Supplier Acct	DRAWINGS	F4
Amount	700.00	F6
Cheque No.	#001234	
Payee	Mr W. Freeman	
Comment		
Purchase No.	Direct	

The following screen shows a different method of doing a drawings transaction. We got the business to pay the restaurant bill using the businesses credit card. The businesses credit card is setup as a supplier which allows the bank statement to be reconciled easily.

MECHANIC TRAINING EMPTY

MECHANIC MOTORS PTY LTD PURCHASE P

BUSINESS CREDIT CARD (VISA)	General	123.45	Purchase No:	P-3
C/O ANZ CARDS	Parts	0.00	Start Date:	25 Oct 2005
	GST	0.00	Supplier:	VISA C-CARD
	Total	123.45		

Supplier Invoice No. REC 4560 Date 25/10/05 Posted Date: 25 Oct 2005

Description	Asset or Exp Acct	COST
Took the wife to a resturant.	DRAWINGS	123.45

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